

[**MAINE GAMBLING CONTROL BOARD**

November 19, 2013

09:00 – 11:00

Oxford Municipal Building

85 Pleasant Street

Oxford, Maine

Meeting opened at 9:00 am

Board members present: Tim Doyle Chair, Barbara Dresser, Matt Dyer,

Staff present: Office Specialist I Janine Collins, Auditor Donald Berrie, Inspector Supervisor Vicki Gardner, Detective Don Armstrong, Executive Director Patrick Fleming.

Legal counsel present: Assistant Attorney General Lauren LaRochelle

Introductions:

The Board introduced themselves followed by introductions of the staff and counsel by Executive Director Fleming.

Review of the minutes 10/15/2013

Motion to accept the minutes as presented: Matt Dyer, Board Member

Seconded: Barbara Dresser Board Member

Vote: Unanimous

Executive Director Report – Employment – Jill Tobey – Auditor Tobey has experienced some setbacks since her accident back in September which has extended her recovery. It is looking like she may not be back prior to January. The Executive Director has been monitoring her time and keeping her informed of her options.

Maine Gaming Commission – the commission has completed its work and a report is being drafted for submission to the Veterans and Legal Affairs committee during the next session. The commission report will reflect the motion to pass the seven items listed in the motion which were essentially the seven bills that were carried over from the last session.

Budget – Auditor Berrie and the Executive Director have met with representatives from the service center reference revenue forecasting for the next budget. As you know we ran into the problem of not enough allotment in the first quarter and had to suspend payments to several entities. We are trying to prevent that in the future by being a little more accurate in our forecasting. Auditor Berrie has been looking at some trend analysis, now that both casinos have been in operation for a year, to help with this effort.

Also the MOU approved by the Board for the payments to Maine Maritime Academy has been signed by the Board of Trustees of the University of Maine system and Maine Maritime Academy. The MOU is now in effect and we have numbers that will be used to determine the payouts for fiscal year 2015 starting next July. After reviewing the numbers it appears that the percentages will remain the same as this year.

Rules – the rules that have been approved by the Board at the last several meetings have been approved by the Governor's office to move forward. They will be sent to the Secretary of State shortly to go through the rest of the rulemaking process. It appears that we will have to hold a public hearing on two of the rules because of a change in the law that makes them major substantive because they relate to the oversight of table games. The rest of the rules will go through the written public comment period we have used in the past.

FBI Audit - A representative of the FBI will be in our office on Wednesday the 20th to audit how we handle fingerprints. We have been given a list of names of applicants that they would like to check to be sure we followed the proper protocols in handling the prints and that we have the authority to take them. We are required by statute to do fingerprint based background checks for gambling employees.

Penn National changes – the Penn National transaction was finalized on October 18, 2013. We have made the necessary changes in our system and they are now referred to as HC Bangor, LLC.

Oxford Expansion – the Oxford expansion is moving forward. After today's Board meeting there is a meeting to discuss the moving of the door to the Gambling Control office. The casino is adding some new table games on one wall of the office and the expanded slot area on the other which will impact the current placement of the door.

Financial Update: Auditor Donald Berrie-

The financial packet contains 2013 and 2012 comparisons of tax revenues for the month of October, year-to-date as well as data for the four three quarters of the year, the fourth quarter being partial through October. A new addition to your financial packet is a graph illustrating the monthly revenue trend for 2012 and 2013. The blue line plots monthly revenue through October of 2012 and the red line plots monthly revenue through October of 2013. Both years show the highest revenue occurring in July and August and tapering off in September and October.

Distributions of tax revenue through October 31st are available on the Gambling Control Board web site. Per enacted legislation, revenue distribution data including Maine Maritime Academy began with the October reporting.

As he reported at the July Board meeting, in accordance with recently enacted legislation, slot machine hold compliance is now determined on a quarterly basis rather than on a weekly basis. For the quarter ended September 30, 2013 as well as year to date, both casinos are in compliance. Both casinos continue to be in compliance during the first month of the fourth quarter of calendar year 2013.

The Auditors continue to collect and analyze this data on a daily basis and monitor for any corrective action that may be needed.

Audit program

A written summary of the CTR and SAR audit at Hollywood Casino is included in your packet. With no errors or omissions found, Hollywood Casino is in compliance. We appreciate the cooperation of the staff at Hollywood Casino during this process.

The next step in the audit program is to repeat the CTR/SAR audit at Oxford Casino.

State Police Update –Detective Don Armstrong

The Board had asked for some specific information regarding the impact on different surrounding agencies since Oxford has started. Detective Armstrong reported that Androscoggin had not noticed any change.

Unfinished Business: Exclusion Rule-

The Board reviewed comments received from representatives of Hollywood Casino and Oxford Casino on the proposed rule and responded to those comments. The comments and responses adopted by the Board are reflected in the rulemaking paperwork submitted to the Secretary of State's Office.

In response to comments and findings made by the Board, the following sections of the rule were amended:

- Section 3(1): to include a provision that the Board will send each casino or slot facility the entire exclusion list on a monthly basis
- Section 3(1): to include a provision that the length of the self-exclusion period will be among the information provided to casinos and slot facilities
- Section 4: to clarify that only employees of a slot facility or casino may be granted access to the casino floor while on the self-exclusion list
- Section 7(1)(B)(1): to remove the provision regarding mental health evaluations for individuals who request removal from the self-exclusion list.

Motion to accept changes as discussed Matt Dyer

Seconded: Barbara Dresser

Vote: Unanimous

The rule will go back to the Governor's Office, the Director will send a letter to people currently on the self-exclusion list for the casinos regarding the State taking over the list and the waiver and acknowledgement.

The Board discussed placement of individuals on the involuntary exclusion list. The Board may delegate to the Executive Director the authority to place individuals on the involuntary exclusion list. An individual placed on the list by the Executive Director could appeal to the Board.

Motion: to delegate this to the Director Matt Dyer

Seconded: Barbara Dresser

Vote: Unanimous

Motion: Motion to accept the changes to the Self-Exclusion Request form as discussed by the Board Matt Dyer

Seconded: Barbara Dresser

Vote: Unanimous

Chips for Payment: A section of the MICS forbids chips to be used to pay for food or drink. At its October meeting, the Board discussed whether chips should be accepted as payment for food and drink on the gaming floor, but did not vote on the issue.

Motion to approve the change to allow employees to accept chips for payment of food and drink Matt Dyer

Second: Barbara Dresser

Vote: Unanimous

New Business:

Hollywood Spanish 21 new game for Hollywood Casino Bangor. The rules of the game are the same as the game previously approved for Oxford Casino

Motion Matt Dyer

Seconded Barbara Dresser

Vote: Unanimous

Oxford Casino Big 6 wheel rules,

Motion to approve the rules of the game as submitted by Oxford Casino

Motion Matt Dyer

Seconded Barbara Dresser

Vote: Unanimous

Oxford Internal Control change to allow the Slot department to obtain the duplicate signed copy of the jackpot payout slip.

Motion to Approve the IC Change Matt Dyer

Seconded: Barbara Dresser

Vote: Unanimous

Oxford Internal Control change to allow a slot supervisor to observe a winning jackpot in excess of \$100,000. This change permits slot machines to pay jackpots of more than \$100,000.

Motion to Approve the IC Change Matt Dyer

Seconded: Barbara Dresser

Vote: Unanimous

The Board discussed whether to propose changes to the Minimum Internal Controls to mirror those just approved for Oxford. The rules have not yet been sent to rulemaking, so the Board may still propose a change and then vote to send the rule through the rulemaking process as amended.

Motion to amend the MICS to allow a member of the Slot department to obtain the duplicate signed copy of the jackpot payout slip and to allow slot machines to pay jackpots of more than \$100,000. Matt Dyer

Seconded: Barbara Dresser

Vote: Unanimous

Public Comment:

Acknowledgement of people in the audience, Roger Jackson, District 100, Peter Loveland Selectman.

Jack Sours VP Oxford Casino, thanks everyone in Oxford. Invited the Board to tour the property after this meeting and see the expansion area.

John Osborne Hollywood Casino, Everything is going well at Hollywood Casino, Cross Auditorium is having more bookings. Bangor is seeing secondary investments in the community.

Meeting Adjourned:

Motion: to adjourn Matt Dyer

Second: Barbara Dresser

Vote: Unanimous

Following the meeting, the Board members traveled to Oxford Casino to tour the expansion.

Next meeting is **December 17@9 am at 45 Commerce Drive Augusta, Maine.**

Respectfully submitted, Janine Collins, Office Specialist I